

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office MAR 28 1997
 Returned to applicant for correction APR 14 1997
 Corrected application filed _____
 Map filed MAY 29 1997

The applicant **Battle Mountain Exploration Co.**, doing business as **Battle Mountain Gold Co.**, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **3 second-feet** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling & Domestic**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks") **Minerals Exploration and Mining**
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **In the NE¼ of the NE¼ of section 24, T8N, R43E, MDBM, Nye Co., NV. From the well to the NE corner of section 24 is a distance of 1296.10 feet bearing N59°32'21"E. Please see map in original permit file #49156.**
6. Place of Use **T8N, R43E, AND T8N, R44E - On several different sites for drilling/Minerals Exploration. Water will be transported in a self contained water truck. No permanant water storage tank will be required.**
7. Use will begin about **January 1** and end about **December 31**, of each year.
8. Description of proposed works **Well previously constructed. Please see attached copy of original well driller's report.**
9. Estimated cost of works **Unknown at this time - dependent on condition of existing well.**
10. Estimated time required to construct works **Well previously constructed. Please see attached copy of original well drillers report. Testing of existing well and pump pending approval of Temporary Water Waiver applied for same well.**
11. Estimated time required to complete the application of water to beneficial use **10 years**
12. Remarks: **Water use for the Minerals Exploration stage will be less than five (5) acre-feet per year. Use for mining is uncertain**

at this time; use will be dependent on a number of factors, such as deposit size, mill size, through put, etc.. Mining use can be amended at a later date.

By s/Melody Lynn Hefner
P.O. Box 7176
Reno, NV 89510

Compared cms/bk jr/cms

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.0 cubic feet per second, but not to exceed 5.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

April 29, 1999

Proof of completion of work shall be filed before:

May 29, 1999

Application of water to beneficial use shall be filed on or before:

April 29, 2004

Proof of the application of water to beneficial use shall be filed on or before:

May 29, 2004

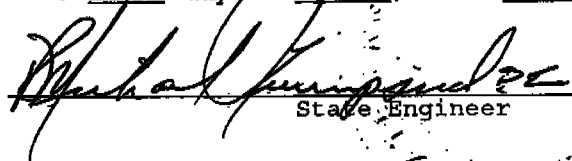
Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office;

this 29th day of April, A.D. 1998


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

